GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA

UNSTARRED QUESTION NO:159
ANSWERED ON:18.02.2009
VIOLATION BY DTH LICENSEES
Badiga Shri Ramakrishna

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) the details of norms laid down for granting Direct-To-Home (DTH) licence and the share of Foreign Direct Investors (FDI) thereon;

(b) whether the Government has received any complaints on violation of such norms;

(c) if so, the names of the companies which have violated the DTH licencing conditions;

(d) whether any action has been taken by the Government against these companies; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE FOR EXTERNAL AFFAIRS AND INFORMATION & BROADCASTING(SHRI ANAND SHARMA)

(a): DTH Guidelines provide that total foreign equity holding including FDI/NRI/OCB/FII in the applicant company should not exceed 49% and within the foreign equity, the foreign direct investment component should not exceed 20%.The quantum represented by that proportion of the paid up equity share capital to the total issued equity capital of the Indian promoter Company, held or controlled by the foreign investors through FDI/NRI/OCB investments, shall form part of the above said FDI limit of 20%. The foreign investment into a DTH company as per the FDI policy of the Government requires FIPB approval.

(b): Yes, Sir.

(c): M/s Bharti Telemedia Ltd.

(d) & (e): The shareholding pattern furnished by M/s Bharti Telemedia Ltd. revealed that the DTH licensee did not have any FIPB approval for foreign investment coming into it through investing companies which was not in accordance with the existing FDI policy.The licensee was therefore required to show cause why action should not be taken against it for violation of DTH license conditions.On the basis of the reply furnished, the Company was advised to seek separate FIPB approval for indirect foreign investment coming into the licensee company.FIPB in its meeting held on 09.01.2009 has recommended the proposal subject to compliance with the guidelines of Ministry of Information & Broadcasting and compounding of the violation.